

## **Housing Authority - County of Los Angeles**

July 17, 2008

To: Each Supervisor

From: William K. Huang, Acting Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

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On March 13, 2007, your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between June 14, 2008 and July 16, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- New HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Socialserve.com, Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

**Lease-up, Annual Re-examinations and Inspections**

Current data is not available due to technical problems with HUD's data reporting system, Public & Indian Information Center (PIC), which is used to obtain SEMAP performance status. However, previously available information indicates our lease-up rate is 97%, representing a total of 20,130 assisted families throughout the County; a 0% delinquency rate for our annual re-examinations; and a 2% delinquency rate for our inspections for fiscal year ending June 30, 2008. These percentages are based on activity recorded on the PIC system of completed work submitted by the Housing Authority and not the timely completion of this work. Future reports to you will include the status of timely completed work. We are in the process of reevaluating the report to ensure that it meets the needs of the Board and fulfills the intent of the initial Board order.

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### **Corrective Action Plan**

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As had been previously reported, HUD has closed all other items of the CAP.

### **HUD OIG Audit on Tenant Eligibility and Annual Reexaminations**

As previously reported, we submitted our formal response to the HUD OIG audit on March 22. We received a response from local HUD Director, K.J. Brockington on June 16, 2008. Ms. Brockington did not address the \$3.6 million reimbursement, the future withholding of administrative payments, and personnel directives in her response. I will be submitting to the Board a comprehensive review of her letter in the immediate future. In the interim, I have asked Gregg Fortner, our Housing Authority consulting Assistant Executive Director, to meet with Milan Ozdinec, Deputy Assistant Secretary for Public Housing and Voucher Programs, on July 18 to initiate discussion on how to bring successful resolution to these issues.

### **HUD OIG Financial Audit**

As previously reported, HUD has recommended an audit of our financial systems. This is a new audit to be conducted by OIG. An entrance conference was held with OIG personnel on July 10, 2008 to review the scope of work. The objective is to determine whether Section 8 funds were spent in accordance with HUD rules and regulations. The initial work, to be conducted over a 60-day period, will consist of surveying our financial records. If any discrepancies are noted, a recommendation may be made for a comprehensive audit.

### **HUD's On-Site Confirmatory Review for FY 2007**

HUD's onsite confirmatory review of our SEMAP certification for fiscal year ending 06-07 took place the week of June 16, 2008. The review team will return the week of July 28, to complete the review. However, we anticipate receiving a preliminary report shortly on the work that has been reviewed thus far which will likely result in a reduction of SEMAP points for specific indicators, that will likely result in a Troubled status rating. However, it is important to note that we have completed fiscal year 07-08 and believe our SEMAP score has improved enough to achieve a Standard status rating. HUD has not yet scheduled the onsite confirmatory review for FY 07-08.

### **YARDI Status**

Implementation was completed on July 1, 2008. An independent review of the conversion to the new system and related processes is taking place at this time. I will report the outcome on my next report to you.

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### **Socialserve.com, Los Angeles Housing Resource Center**

For a 28-day period between June 13 and July 11, 2008, Socialserve.com averaged 5,343 total listings (an 8% increase), 3,610 participating landlords (a 7% Increase), and 127,798 housing searches (a 4% increase).

### **Call Center**

Our Call Center is receiving an average of 5,044 calls per week (a 3% increase over last month), with an actual total of 20,175 for the period between June 13, 2008 and July 11, 2008. The increase in calls is primarily due to lease-up activity.

### **HUD-VASH Vouchers**

We are working with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

To date, HACLA has hired 6 new staff responsible for the administration of the HUD-VASH vouchers and is waiting for the Veterans Administration to hire case managers to completely roll out the program. HACLA currently has 11 referrals from the Veterans Administration Hospital in the City of Los Angeles. Los Angeles County residents are eligible for the VASH voucher under the current portability rules.

Additionally, the following activities have taken place:

- 1) Lois Starr, Acting Director of Housing Development and Preservation (HD&P), met with the Veterans Affairs Director in July 2008;
- 2) HACoLA held a VASH vouchers strategy session on 7/10/08;
- 3) HACoLA staff has contacted both HACLA and the City of Long Beach Housing Authority to learn the status of their VASH voucher allocation; both agencies are operating their programs in the same manner;
- 4) HACoLA staff from the Assisted Housing Division (AHD) and the Special Needs Housing Unit (SNHU) attended HACLA's VASH stakeholder meeting on 7/15/08;
- 5) Lois Starr, Flora Gil Krisiloff, Homeless Deputy for the Third District, and I met with William Daniels, Director of the Brentwood Veterans Administration in May 2008;
- 6) HACoLA and the CDC will schedule a meeting with HACLA and the City of Long Beach Housing Authority in the near future to assure that veterans currently residing in L.A. County will have access to the vouchers and to establish protocols for communication between the agencies;

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- 7) A regional Housing Authorities meeting with local HUD Director K.J. Brockington, is tentatively scheduled for late July; the issue of additional agencies accessing VASH vouchers will be discussed at this meeting.

Please contact me should you have any questions or need additional information.

c: Lari Sheehan, Chief Deputy Executive Officer  
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors  
Each Deputy